

Colorado Main Street Loan Program Credit Memorandum

Proposed Funding Source:	
Loan Officer:	
Date Prepared:	
Loan Project Structure:	
Project Street Address:	
Project City / State / Zip:	
City Population:	
Project County:	
Congressional District:	
State Districts:	House: Senate:

Economic Development Objective(s):

Brand New (not yet open)	In Business (< 2 years)	Buying Existing Business	Manufacturer / Maker	Based in Rural Colorado
Woman Owned (51% or more)	Minority Owned (51% or more)	Veteran Owned (51% or more)	Disabled Owned (51% or more)	Millennial Owned (51% or more)
LGBT Owned (51% or more)	Exporter (sales > 10%)	Impacted by Restructuring	Impacted by Fed Cutbacks	Enterprise Zone Area
HUB Zone Area	Low to Moderate Income Tract	50%+ Workforce in LMI Tract	NMTC Area	Strike Force / Promise Zone
Underserved / Distressed (FFIEC)	Population Loss Area (CDFI)	Empowerment Zone (CDFI)	Investment Area (CDFI)	Unemployment Area (CDFI)



Effective: March 2017

Overview of Project

Project Eligibility

Requested Loan Amount	Interest Rate	Term	Monthly P & I

Pre Project Count of FTE Employees (#)	Jobs to be Created within two years of Funding (#)	Jobs to be Retained because of project	TOTAL Jobs to be Created and Retained

Is any other financing being provided in addition to the requested Colorado Main Street loan? YES NO

Lender	Requested Loan Amount	Interest Rate	Term	Monthly P & I

Proposed Project Uses

	(1) REQUESTED Colorado Main Street loan program funds	(2) Funds NEWLY being contributed by the applicant	(3) Funds RECENTLY contributed by the applicant	(1) + (2) + (3) = TOTAL Project Cost
Pre Start-Up Costs & Expenses				
Working Capital for the Business				
Marketing / Web / Internet Costs				
Purchase Land Only				
Purchase Land & a Building				
Purchase a Building on Leased Land				
Purchase a Commercial Condo				
Fix-up Commercial Space - Owned				
Fix-up Commercial Space - Leased				
Purchase Furniture/Fixtures				
Purchase Machinery / Equipment				
Purchase a Vehicle/Van/Truck				
Purchase Inventory and/or Supplies				
Pay Account Payables				
Refinance Business Credit Cards				
Refinance Existing Business Loans				
Buy an Existing Business				
Other:				
TOTALS				

Comments Related to Use of Proceeds and Sources of Borrower's Equity

Description of Project Collateral

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Type Of Collateral	Value	Liquidation %	Prior Liens	Lendable Equity	Lien Position
Residential Real Estate		85%			
Commercial Real Estate		85%			
Furniture & Fixtures		25%			
Machinery & Equipment		50%			
Other:					
Other:					
TOTAL					

Pros and Cons of Project

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Location Map



Entity Information

Entity is an:	Telephone:
Entity Name:	Tax ID:
Entity Trade Name:	Guarantor:
Mailing Address: City:	State: Zip:
Entity Structure:	Year Founded:
Nature of Business:	NAICS Code:
Name of Franchise:	Franchise Registry:

Management

Name	% Owned	Title	Citizenship			SBA Codes			
			US	LPR	Other	Gender	Race	Ethnicity	Vet
TOTAL			<small>GENDER: M = Male, F = Female N = Not Disclosed RACE: 1 = American Indian/Alaska Native 2 = Asian 3 = Black/African American 4 = Native Hawaiian/Pacific Islander 5 = White/Caucasian X = Not Disclosed ETHNICITY : H = Hispanic/Latino N = Non-Hispanic/Non-Latino Y = Not Disclosed VETERAN STATUS: 1 = Non-Veteran 2 = Veteran 3 = Service Disabled 4 = Not Disclosed</small>						

Analysis of Management Ability

History of Applicant Business / Businesses

Schedule of Existing Debt and Obligations

Lender	Original Amount \$	Funded Date	Present Balance	Interest Rate	Maturity Date	Monthly Payment	Collateral
TOTAL PRESENT BALANCE =				TOTAL MTHLY DUE =			
				TOTAL ANNUAL DUE =			

Current / Previous Federal Government Debt

Agency	Loan #	Borrower	Date of Loan	Original Loan \$	Current Balance \$	Loan Status	Loss ?
TOTALS							

Guarantors

	Type	Name of Individual or Entity	Net Worth	Type of Guarantee	4506T
1					
2					
3					
4					
5					
6					
7					
8					

Size Standards (list EPC, OC's and all affiliates)

Type	Entity Name	Tangible Net Worth	Average Net Income after taxes for preceding two years
TOTALS			

Schedule of Accounts Receivable and Accounts Payable

Aging	Accounts Receivable	Accounts Payable
Under 30 days		
30 - 59 Days		
60 - 89 Days		
90 - 119 Days		
120 Days and over		
Noncollectable		
TOTALS		

Comments on Debt and Receivables/Payables

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Personal Credit

	Name	PFS Dated	Liquid Assets/ RE Assets	Total Assets/ Total Liabilities	CR Date/ CR Source	History/ CR Score
1						
2						
3						
4						
5						
6						
7						
8						

Comments on Personal Credit

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GLOBAL CASH FLOW ANALYSIS

Step 1: Identify Personal Discretionary Income

Borrower(s)						TOTALS
Personal Income <i>Most recent or projected AGI</i>						
+ Other Income <i>Rental income, etc.</i>						
- Taxes <i>Actual or estimated amount</i>						
- Living Expenses <i>Assume 25% of gross income</i>						
- Personal Debt: Existing Mortgage <i>Personal residence</i>						
- Personal Debt: Other Mortgages <i>Rental or investment properties</i>						
- Personal Debt: Other Obligations <i>Vehicles, other obligations, etc.</i>						
- Personal Debt: Proposed New Obligations <i>Incurred as a consequence of the new project</i>						
= PERSONAL DISCRETIONARY INCOME						

Step 2: Calculate the Global Cash Flow Position

Business Cash Flow (projected cash position)	
+ Total Personal Discretionary Income	
= TOTAL GLOBAL CASH FLOW	
- Existing Business Debt Service	
- Anticipated New Project Debt (Lender)	
- Anticipated New Project Debt (SBA/CDC Loan)	
- Anticipated New Project Debt (Seller Carry)	
- Anticipated New Project Debt (Other Financing)	
= CASH SURPLUS or (DEFICIT)	
= COVERAGE RATIO (Global Cash/Total Debt)	

Global Cash Flow Analysis/Comments

BALANCE SHEET - SMALL BUSINESS CONCERN(S)

Name:

Tax ID:

Accounting Basis:

**Note : All amounts are displayed in thousands.*

Date of Statement												PROFORMA
Type of Statement												

ASSETS

Cash													
A/R													
Inventory													
Other													
Total Current A.													
Fixed Assets													
Other Assets													
TOTAL ASSETS													

LIABILITIES AND NET WORTH

A/P													
Notes (ST)													
Accruals													
CP LTD (Lender)													
CP LTD (Deben.)													
CP LTD (Other)													
Other													
Total Current L.													
Notes (LT)													
LTD (Lender)													
LTD (Debenture)													
LTD (Other)													
Other													
Total Liabilities													
Net Worth													
TOTAL L & NW													

BALANCE SHEET RATIOS

Date of Statement						RMA Industry Comparisons			PROFORMA
						High	Med.	Low	
Current Ratio									
Debt/Worth									
Quick Ratio									
Days Receivable									
Days Payable									
Days Inventory									
Working Capital									

Balance Sheet Analysis/Comments

PROFIT AND LOSS + CASH FLOW ANALYSIS - SMALL BUSINESS CONCERN(S)

Name:

Tax ID:

Type of Statement												RMA
Number of Months												
Date of Statement												
Sales (net)												
COGS												
Gross Profit =												

Officer Comp.												
Wages												
Rent												
Depreciation												
Amortization												
Interest Expense												
Other G&A Exp.												
Total Expenses =												

Other Income												
Other Expenses =												
Income (Loss)												
Income Taxes												
Net Income =												

Date of Statement						
Operational Cash						
+ Depreciation						
+ Amortization						
+ Interest Exp.						
+ Rent Savings						
+ Other:						
+ Other:						
= Available Cash						
- Existing Business Debt						
- New Debt (Lender)						
- New Debt (Debenture)						
- New Debt (Other)						
= Cash Surplus/Deficit						
= Coverage Ratio						

Profit & Loss/Cash Flow Analysis- if projections are utilized, describe the basis for the assumptions including who performed the analysis and how the conclusions were reached.

Colorado Main Street Decision Scoring Matrix

Score	Personal Credit	Management	Collateral	Repayment Ability	Capital / Equity
5	Clean personal credit for guarantors. No present derogatory items and no past derogatory items within the last five years	Three years experience / ownership running this business or a similar one profitably.	The project is fully collateralized with at least one first lien position.	Debt service coverage ratio (DSCR) of at least 1.30:1 or better in each of the last Financial Year Ends (FYE) AND interim statements, AND positive or stable trends.	More than the required equity being contributed AND maximum proforma debt-to-net-worth of 3:1.
4	Minor delinquencies current or within the last five years - no more than one item reported per guarantor.	At least one years worth of experience / ownership running this business or a similar one profitably.	The project is fully collateralized with junior lien positions.	Two-to-three years with a DSCR of at least 1.10:1 or better AND a DSCR of at least 1.30:1 or better in the last FYE or most recent interim period.	More than the required equity being contributed AND maximum proforma debt-to-net-worth of 4.5:1 OR required equity being contributed and maximum proforma debt-to-net-worth of 3:1.
3	Minor delinquencies current or within the last five years - no more than three items reported per guarantor.	Minimum of two years experience in this industry and two years applicable management experience but has not owned this type of business before.	The project is not fully collateralized but business and personal assets are pledged.	DSCR of at least 1.15:1 or better in the last FYE or most recent interim period.	Required equity being contributed AND maximum proforma debt-to-net-worth of 6:1.
2	More serious delinquencies current or within the last five years - four or more items reported per guarantor.	Minimum of one years worth of experience in this industry or minimum of one years applicable management experience.	The project is not fully collateralized but business assets are pledged.	DSCR of at least 1.10:1 or better in the last FYE or most recent interim period.	Required equity being contributed AND maximum proforma debt-to-net-worth of between 6:1 and 12:1.
1	Collections, charge-offs, tax liens or bankruptcy current or within the last five years with acceptable explanations.	No experience in this industry and no applicable management experience.	The project is not fully collateralized and no business and personal assets are pledged.	Start-up or purely projection-based project. No historical cash flow support.	Required equity being contributed AND maximum proforma debt-to-net-worth of more than 12:1 OR one hundred percent financing project.
TOTALS					

Economic Impact

One point can be added to the above scores for each of the following project impacts.

Job Creation Impact
 Rural Colorado Impact
 Manufacturer Impact
 Community Impact

<p>TOTAL SCORE THIS PROJECT</p>	
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